

## CHINA SURGICAL ROBOTS

## Going-global (ex-US) as core growth drivers; Initiate Medbot, EdgeMed at Buy

We initiate coverage on **Chinese surgical robotics**, led by **MicroPort MedBot and Edge Medical**, which we view as a **rare structural growth segment with a proven compounding model**, rather than a short-cycle medtech theme. Surgical robotics is one of the few sub-sectors in our coverage universe that combines sustained high growth with a validated **“capital equipment + recurring consumables + services”** model, as evidenced by **Intuitive Surgical’s multi-decade value creation and c.US\$170bn market capitalization**.

We see **overseas expansion (ex-US)** as the primary growth engine, driven by large and under penetrated markets where adoption is supported by **comparable clinical performance versus da Vinci, materially lower total cost of ownership, and platform-level differentiation** such as flexible configurations and telesurgery. We see a number of key ex-US markets should be sufficient to support growth in the next 5-10 years, underpinned by a broad hospital base, rising MIS (minimally invasive surgery) procedure volumes, materially lower robotic penetration than the US, and relatively high price sensitivity. We expect MicroPort Medbot and Edge Medical to acquire 5.4%/4.1% of the global TAM by 2035e. *See our report on **China Medtech Going Global: Assessing the opportunity for surgical robots.***

**Domestically**, we expect China’s surgical robotics market to **re-accelerate from 2026** as procurement normalizes with quota expansion and monetization visibility improves, while leading players retain advantages from earlier commercialization, deeper clinical validation, and established service and training networks.

We favor **MicroPort MedBot (Buy)** as the best-positioned Chinese surgical robot platform to capture early **ex-US growth**, leveraging MicroPort Group’s global commercial and service infrastructure and **Edge Medical (Buy)** as it stands out for its differentiated **multi-port + single-port** platform strategy, with overseas expansion accelerating via distributor led execution.

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## Key stock ideas

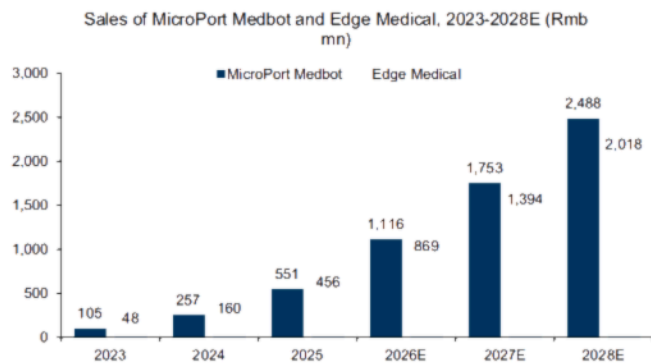
### MicroPort Medbot (Buy | 2252.HK | Mkt Cap: US\$4.5bn | TP: HK\$45.0 | Upside: 32%)

An early mover among Chinese surgical robot players, leveraging MicroPort Group’s established global commercial infrastructure to accelerate overseas registration, commercialization and after sales support. We see Medbot best positioned to capture the early phase of the ex US growth opportunity. We expect sales to grow at a CAGR of 65% over 2025-2028E and to reach Rmb2.5bn, and a 40% CAGR over 2025-2035E to reach Rmb16.1bn by 2035E; net margin to break-even in 2026, and NP to reach Rmb4.3bn in 2035E at NM of 27%. Our 2035E DCF-based TP is HK\$45, implying 32% upside.

### Edge Medical (Buy | 2675.HK | Mkt Cap: US\$2.8bn | TP: HK\$81.0 | Upside: 45%)

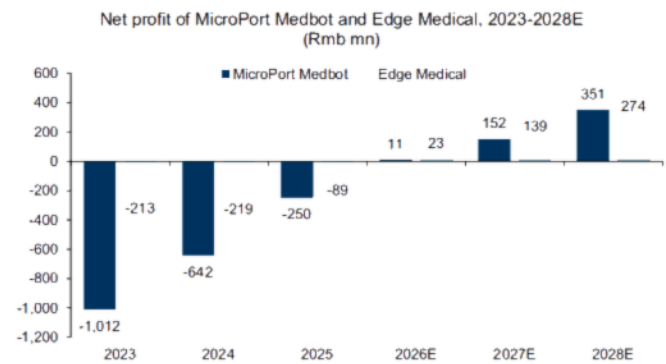
Solid product quality underpinned by rapid technology iterations, with a differentiated “multi port + single port” platform strategy emerging as a key selling point, supporting broader clinical coverage, higher utilization and clearer monetization. No.1 domestic new orders in 2025 with overseas expansion accelerating via distributor led execution. We expect sales to grow at a CAGR of 64% over 2025-2028E and to reach Rmb2bn in 2028E, and a 39% CAGR over 2025-2035E to reach Rmb12.3bn by 2035E, with net margin to break-even in 2026E, and net profit to reach Rmb3.4bn by 2035E with 28% NM. Our DCF-based TP is HK\$81.0, implying 45% upside.

**Exhibit 1: We expect MicroPort Medbot and Edge Medical sales to grow at 65%/64% CAGR over 2026E-28E to reach Rmb2,488mn/2,018mn...**



Source: Company data, Goldman Sachs Global Investment Research

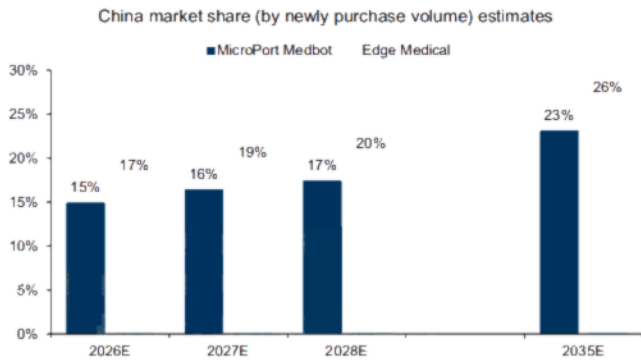
**Exhibit 2: ...and expect the two companies to reach breakeven in 2026E**



Source: Company data, Goldman Sachs Global Investment Research

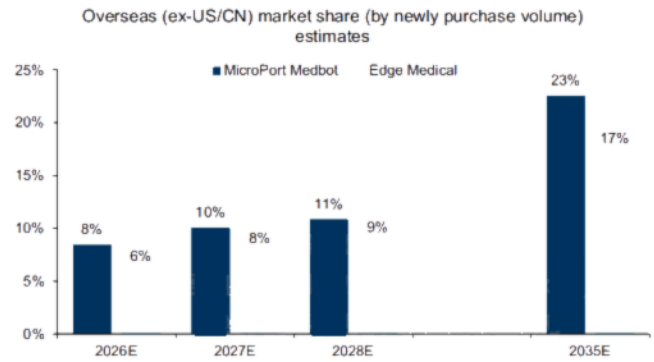


**Exhibit 3: China market share of both companies to gradually increase to 20%+ in 2035E...**



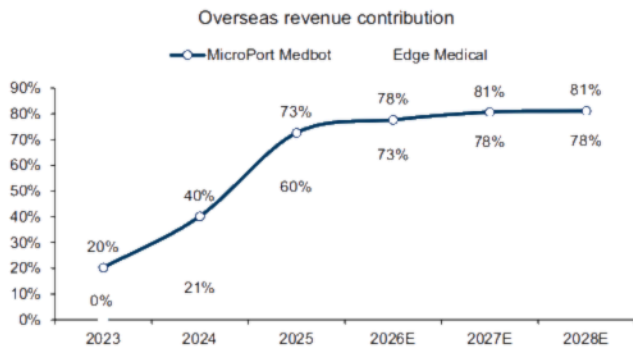
Source: Goldman Sachs Global Investment Research

**Exhibit 4: ...and see faster-than-domestic growth in overseas (ex-US/CN) market share**



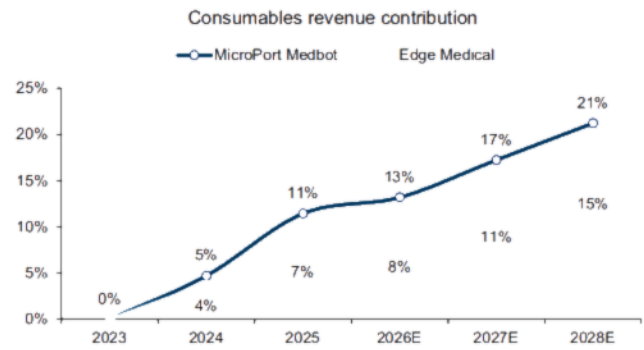
Source: Goldman Sachs Global Investment Research

**Exhibit 5: Overseas revenue contribution to increase to c.80% level in 2028E...**



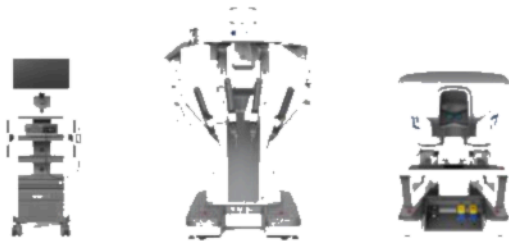
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 6: ...and consumables revenue contribution will continue to increase**



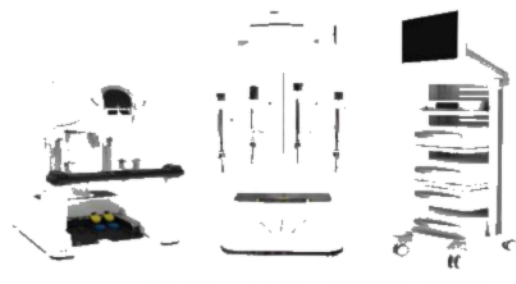
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 7: Endoscopic surgical robot of MicroPort Medbot (Toumai)**



Source: Company data

**Exhibit 8: Endoscopic surgical robot of Edge Medical**



Source: Company data

## MicroPort Medbot (2252.HK): Leading Chinese player (by domestic installed base); Leveraging parent's overseas commercial infrastructure, initiate at Buy

2252.HK	12m Price Target: HK\$45	Price: HK\$34.14	Upside: 31.8%		
<b>Buy</b>		GS Forecast			
Market cap: HK\$34.9bn / \$4.5bn	Revenue (Rmb mn) New	12/25	12/26E	12/27E	12/28E
Enterprise value: HK\$34.7bn / \$4.4bn	Revenue (Rmb mn) Old	551.1	1,116.2	1,753.5	2,488.4
3m ADTV :HK\$221.0mn/ \$28.3mn	EBITDA (Rmb mn)	(89.6)	121.3	271.3	519.9
China	EPS (Rmb) New	(0.24)	0.01	0.15	0.34
China & Korea Medtech & Services	EPS (Rmb) Old	--	--	--	--
	P/E (X)	NM	NM	NM	87.5
M&A Rank: 3	P/B (X)	47.9	67.0	46.2	28.5
Leases incl. in net debt & EV?: Yes	Dividend yield (%)	0.0	0.0	0.0	0.0
	CROCI (%)	NM	23.1	39.3	52.0
	EPS (Rmb)	12/25	6/26E	12/26E	6/27E
		(0.14)	(0.01)	0.02	0.08

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 17 Apr 2026 close.

**MicroPort Medbot combines overseas execution, domestic scale leadership, and early technology adoption.** Leveraging the MicroPort Group's established global infrastructure, Medbot has accelerated overseas expansion via a hub and spoke model, achieving registrations in **c.60 countries** and **c.170 cumulative overseas orders** as of Mar 2026. Domestically, it remains a **top 3 player**, with **16% share of national bidding in 2025** and the **largest installed base among Chinese peers** (46 cumulative installations as of Mar 2026), despite prioritizing overseas growth in 2025. Complementing this scale advantage, Medbot is **an early mover in emerging technologies**, including being the first domestic player approved for tele surgery and advancing AI enabled automation, reinforcing its medium term leadership positioning. We expect sales to grow at a CAGR of 65% over 2025-2028E to reach Rmb2.5bn, and a 40% CAGR over 2025-2035E to reach Rmb16.1bn by 2035E; net margin to break-even in 2026E, and NP to reach Rmb4.3bn in 2035E at NM of 27%. **We initiate MicroPort Medbot at Buy, with a 12-m TP of HK\$45.0.**

### Investment thesis

- **Strong overseas expansion capacity with the group's established infrastructures:** Medbot has been leveraging MicroPort group's established overseas commercial infrastructure, rather than relying on greenfield build-out. Under the group's dual-track strategy (domestic + overseas), Medbot taps the group's "Headquarter Going-abroad Platform" and a hub-and-spoke approach (using core countries/regions as hubs to radiate to surrounding markets), which meaningfully lowers channel build costs, accelerates regulatory and market access, and improves post-sales coverage and training efficiency. As a result, MicroPort Medbot's overseas expansion has been validated in the past 2 years. With registration in 60+ countries and remote surgery approved in 10+ countries, Medbot has **secured c.170 overseas orders as of Mar 2026**, including 100+ overseas orders in 2025 alone. The company plans to add approximately 100 employees to its overseas team, bringing total headcount to around 200-300.
- **Leading domestic player with the largest installed base among Chinese peers.**

MicroPort Medbot holds a top 3 market position in China, with 16% share of total national bidding in 2025 (c.30% among domestic brands) and 46 cumulative installations as of Mar 2026, ranking No.1 among domestic competitors. This underscores its early mover advantage in installed base, clinical validation and training footprint. While new domestic orders in 2025 trailed Edge Medical's (17 vs. 22 systems), we view this primarily as a reflection of Medbot's strategic prioritization of overseas expansion, rather than a deterioration in domestic competitiveness. As procurement decisions increasingly shift toward outcome and value based assessments, we expect scaled players with proven clinical track records and entrenched hospital relationships—such as Medbot—to continue to anchor the domestic competitive landscape.

- **Early mover in adopting and validating emerging technology trends.** Complementing its installed base leadership, Medbot has been proactive in exploring next generation technologies, positioning itself ahead of domestic peers. It was the first domestic player to receive approval for telesurgery, enabling earlier brand building and training network development, and has begun exploring AI enabled automation, completing the world's first large model autonomous surgery animal experiment in December 2025. While commercialization remains at an early stage, these initiatives strengthen Medbot's technology roadmap and reinforce its medium term leadership positioning.
- **Steady progress for other types of surgical robots, albeit limited near term revenue contribution: SkyWalker**, Orthopedic robots, achieving a steady growth in overseas sales, with global cumulative orders now reaching over 65 units; **R-ONE**, a vascular interventional robot in the panvascular domain through international cooperation, approved by the NMPA in December 2023, achieved commercial installations in six leading hospitals including Zhongshan Hospital, Fudan University; **UniPath** (Trans-bronchial robots), obtained NMPA approval in December 2025 and started commercialization.

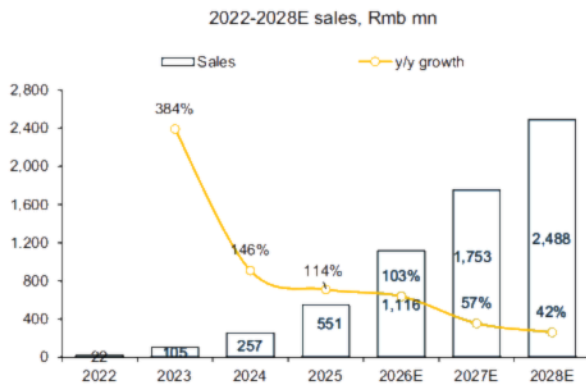
### Financial highlights

- **FY26 guidance:** Operationally, management targets 200+ new installations in FY26, with revenue scale of over Rmb1,100mn, +100% growth, among which 80% will come from overseas sales. On this basis, management guided the business to turn profitable at the full-year level, with gross margin continuing to improve to 55% as sales scale up.
- We expect a sales CAGR of 65% over 2025-2028E to reach Rmb2.5bn, primarily driven by: 1) overseas expansion, with newly purchased volumes reaching c.260 sets in 2028E with stabilizing pricing, and an increase to 81% in 2028E in overseas revenue exposure from 73% in 2025; 2) leadership in the domestic market with clearer policy and quota release, and we expect its Toumai series to reach 17% market share (by volume) in 2028E.
- **We see margins improving, driven by: 1) increasing operating leverage, 2) product mix upgrade, 3) overseas expansion:**
  - We expect gross margins to improve from 48% in 2025 to 57% in 2028E and

61% in 2035E driven by: 1) increasing operating leverage as the laparoscopic business scales, with higher revenue contribution from consumables; 2) a more favorable product mix toward its higher-margin Toumai revenue increase versus lower-margin orthopedic robots; 3) rising contribution from overseas sales, where gross margins are slightly higher than for the domestic market.

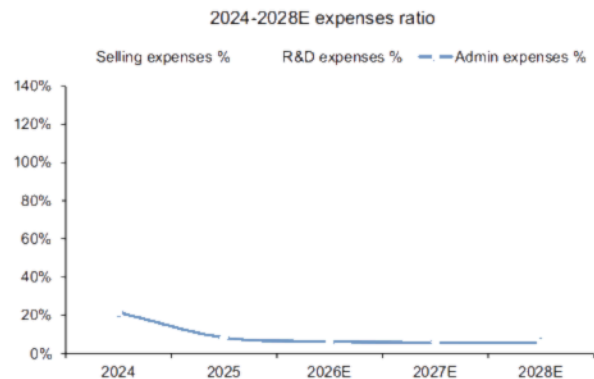
- **With improving margins and scale effects, we expect the company to reach breakeven in 2026E:** We expect the company to reach breakeven by 2026E, and our net income estimates are Rmb11mn/152mn/351mn in 2026E/27E/28E, corresponding to a net margin of 1%/9%/14%.
- **Relative to Bloomberg consensus, our revenue forecasts are broadly aligned (-1% / +1% for FY26/27), while our reported NP estimates of RMB11mn / RMB152mn are materially below consensus at RMB43mn / RMB274mn,** reflecting our assumption of continued selling expense investment to drive market share gains.

**Exhibit 9: Sales CAGR at 65% over 2025-28E**



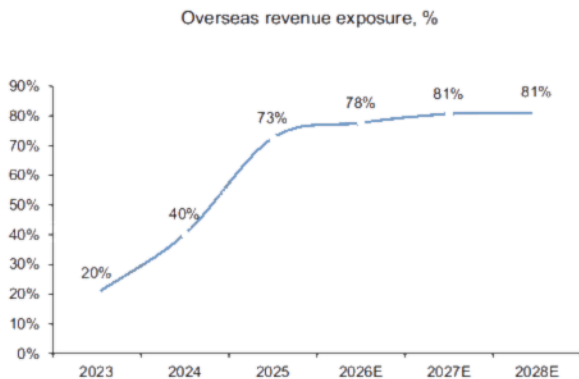
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 10: As sales scale, we expect the expense ratio to improve...**



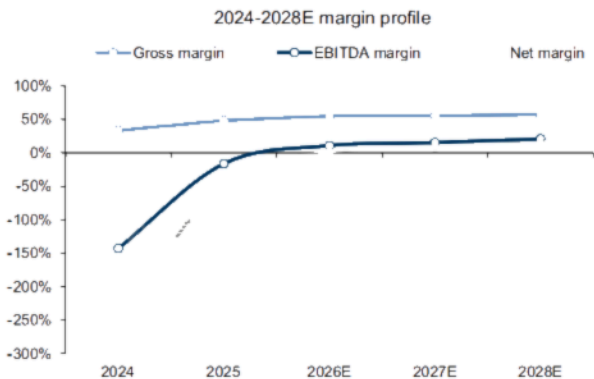
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 11: ...and overseas revenue as a key driver...**



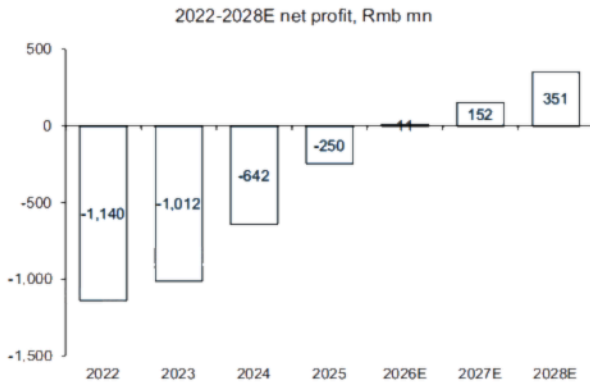
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 12: ...with improving margins...**



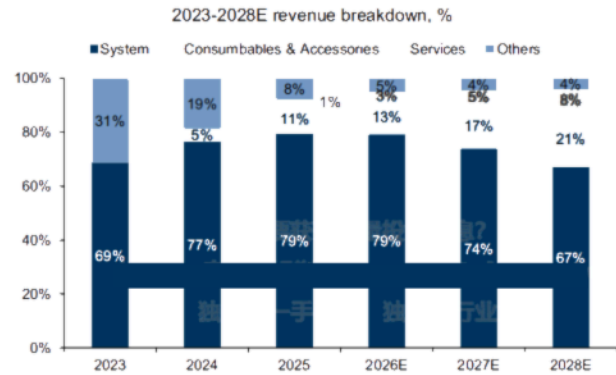
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 13: We expect the company to reach breakeven in 2026E**



Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 14: Consumables and service revenue ramping up to c.30% in 28E**



Source: Company data, Goldman Sachs Global Investment Research

**Valuation and scenario analysis**  
**12-m target price of HK\$45.0 based on 2035E DCF**

Our 12-m TP of HK\$45 is based on DCF valuation, with 9% WACC and 3% terminal growth (consistent with our medtech & service coverage), and with key assumptions: 1) We assume the **global TAM** to reach US\$42bn by 2035, with US\$19bn for OUS, and with a penetration rate of surgical robot assisted surgeries to reach 12mn; 2) Medbot to acquire 23% of newly purchased volumes (ex-US) given that's their key market, corresponding to 12% of revenue share (ex-US); 3) Medbot's net margin to reach 27% by 2035E, slightly below ISRG's 28% as of FY25, where we assume the pricing discount is offset by the lower cost structure in China. Our TP implies 39x/25x/17x for P/S for 2026E/2027E/2028E.

**Exhibit 15: Our DCF derived target price of HK\$45.0, implies 32% upside****MicroPort Medbot (2252.HK)**

<b>Rmb, Mn</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>	<b>2035E</b>
<b>Revenue</b>	<b>551</b>	<b>1,116</b>	<b>1,753</b>	<b>2,488</b>	<b>3,439</b>	<b>4,655</b>	<b>6,174</b>	<b>8,033</b>	<b>10,279</b>	<b>12,943</b>	<b>16,070</b>
<i>YoY</i>	<i>113%</i>	<i>103%</i>	<i>57%</i>	<i>32%</i>	<i>28%</i>	<i>25%</i>	<i>23%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>24%</i>
<b>Gross Profit</b>	<b>267</b>	<b>616</b>	<b>976</b>	<b>1,423</b>	<b>1,984</b>	<b>2,755</b>	<b>3,716</b>	<b>4,850</b>	<b>6,238</b>	<b>7,893</b>	<b>9,832</b>
<i>YoY</i>	<i>48%</i>	<i>58%</i>	<i>59%</i>	<i>27%</i>	<i>28%</i>	<i>30%</i>	<i>25%</i>	<i>23%</i>	<i>21%</i>	<i>21%</i>	<i>21%</i>
<b>Selling expenses</b>	<b>(204)</b>	<b>(290)</b>	<b>(437)</b>	<b>(596)</b>	<b>(824)</b>	<b>(1,115)</b>	<b>(1,478)</b>	<b>(1,924)</b>	<b>(2,431)</b>	<b>(3,022)</b>	<b>(3,752)</b>
<i>YoY</i>	<i>-27%</i>	<i>-26%</i>	<i>-25%</i>	<i>-24%</i>	<i>-24%</i>	<i>-24%</i>	<i>-24%</i>	<i>-24%</i>	<i>-24%</i>	<i>-24%</i>	<i>-24%</i>
<b>Admin expenses</b>	<b>(46)</b>	<b>(70)</b>	<b>(101)</b>	<b>(140)</b>	<b>(189)</b>	<b>(255)</b>	<b>(338)</b>	<b>(440)</b>	<b>(512)</b>	<b>(580)</b>	<b>(720)</b>
<i>YoY</i>	<i>2%</i>	<i>6%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>
<b>R&amp;D expenses</b>	<b>(216)</b>	<b>(232)</b>	<b>(250)</b>	<b>(268)</b>	<b>(288)</b>	<b>(310)</b>	<b>(333)</b>	<b>(350)</b>	<b>(367)</b>	<b>(386)</b>	<b>(405)</b>
<i>YoY</i>	<i>40%</i>	<i>21%</i>	<i>22%</i>	<i>13%</i>	<i>8%</i>	<i>7%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>
<b>EBIT</b>	<b>(199)</b>	<b>24</b>	<b>188</b>	<b>419</b>	<b>683</b>	<b>1,075</b>	<b>1,565</b>	<b>2,136</b>	<b>2,927</b>	<b>3,905</b>	<b>4,955</b>
<i>YoY</i>	<i>-59%</i>	<i>-114%</i>	<i>502%</i>	<i>123%</i>	<i>63%</i>	<i>57%</i>	<i>48%</i>	<i>36%</i>	<i>37%</i>	<i>32%</i>	<i>27%</i>
<i>Operating margin</i>	<i>-36%</i>	<i>2%</i>	<i>11%</i>	<i>17%</i>	<i>20%</i>	<i>23%</i>	<i>25%</i>	<i>27%</i>	<i>29%</i>	<i>30%</i>	<i>31%</i>
<b>Add back: share based payment expenses</b>	<b>42</b>	<b>46</b>	<b>51</b>	<b>56</b>	<b>62</b>	<b>68</b>	<b>75</b>	<b>82</b>	<b>90</b>	<b>99</b>	<b>109</b>
<b>Less: Taxes</b>	<b>-</b>	<b>(2)</b>	<b>(28)</b>	<b>(63)</b>	<b>(102)</b>	<b>(161)</b>	<b>(235)</b>	<b>(320)</b>	<b>(439)</b>	<b>(586)</b>	<b>(743)</b>
<i>YoY</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>NOPAT</b>	<b>(156)</b>	<b>68</b>	<b>211</b>	<b>412</b>	<b>643</b>	<b>982</b>	<b>1,405</b>	<b>1,898</b>	<b>2,579</b>	<b>3,419</b>	<b>4,321</b>
<i>YoY</i>	<i>-24%</i>	<i>6%</i>	<i>12%</i>	<i>17%</i>	<i>20%</i>	<i>23%</i>	<i>25%</i>	<i>27%</i>	<i>29%</i>	<i>30%</i>	<i>31%</i>
<b>Depreciation &amp; amortization</b>	<b>75</b>	<b>63</b>	<b>78</b>	<b>96</b>	<b>134</b>	<b>151</b>	<b>159</b>	<b>165</b>	<b>170</b>	<b>174</b>	<b>177</b>
<i>YoY</i>	<i>20%</i>	<i>-16%</i>	<i>20%</i>	<i>23%</i>	<i>26%</i>	<i>13%</i>	<i>6%</i>	<i>4%</i>	<i>3%</i>	<i>2%</i>	<i>2%</i>
<b>Capital expenditures</b>	<b>(3)</b>	<b>(79)</b>	<b>(123)</b>	<b>(150)</b>	<b>(251)</b>	<b>(201)</b>	<b>(181)</b>	<b>(181)</b>	<b>(182)</b>	<b>(182)</b>	<b>(182)</b>
<i>YoY</i>	<i>-57%</i>	<i>-2046%</i>	<i>57%</i>	<i>23%</i>	<i>67%</i>	<i>-20%</i>	<i>-10%</i>	<i>-10%</i>	<i>-10%</i>	<i>-10%</i>	<i>-10%</i>
<b>Changes in working capital</b>	<b>(39)</b>	<b>(125)</b>	<b>(28)</b>	<b>(190)</b>	<b>(77)</b>	<b>(286)</b>	<b>(155)</b>	<b>(337)</b>	<b>(255)</b>	<b>(437)</b>	<b>(350)</b>
<i>YoY</i>	<i>163%</i>	<i>220%</i>	<i>79%</i>	<i>59%</i>	<i>6%</i>	<i>-17%</i>	<i>-4%</i>	<i>-11%</i>	<i>-24%</i>	<i>-7%</i>	<i>-2%</i>
<b>Unlevered free cash flow</b>	<b>(123)</b>	<b>(71)</b>	<b>138</b>	<b>168</b>	<b>449</b>	<b>646</b>	<b>1,229</b>	<b>1,546</b>	<b>2,312</b>	<b>2,974</b>	<b>3,966</b>
<i>YoY</i>	<i>-75%</i>	<i>-4%</i>	<i>-29%</i>	<i>2%</i>	<i>167%</i>	<i>34%</i>	<i>5%</i>	<i>2%</i>	<i>5%</i>	<i>22%</i>	<i>33%</i>

<b>Discount Rate</b>	<b>Terminal Value</b>	<b>Enterprise Value</b>	<b>Net Cash</b>	<b>Equity Value</b>	<b>Equity Value</b>	<b>Equity Value</b>
<b>%</b>	<b>Rmb, mn</b>	<b>Rmb, mn</b>	<b>Rmb, mn</b>	<b>Rmb, mn</b>	<b>US\$, mn</b>	<b>HK\$, mn</b>
9.00%	34,914	42,988	251	43,239	5,923	46,266

Debt	389
Cash	640

Shares outstanding	1,031
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Target Price	45.0
Close Price	34.1
Upside	32%

Close price as of Apr 17th 2026

Source: Company data, Goldman Sachs Global Investment Research

## Exhibit 16: Key assumptions behind our numbers

Year		2026E	2027E	2028E	2035E	26-35E CAGR	Assumptions
<b>Operating data</b>							
<b>China revenue of Toulmai</b>	Rmb mn	193	263	369	2,353	32%	
<b>System</b>	Rmb mn	127	160	216	1,068	27%	
% of total		66%	61%	59%	45%		
<b>Toulmai newly purchase</b>	Set	+22	+28	+39	+205	28%	
% of volume share (China)		15%	16%	17%	23%		Domestic bid-win ratio gradually increase to 20%+ level
Ex-factory ASP	Rmb mn	5.7	5.6	5.6	5.2		Domestic system ASP slightly decrease
<b>Toulmai installed base</b>	Set	68	97	135	879	33%	
<b>Consumables &amp; Accessories</b>	Rmb mn	47	71	105	895	39%	
% of total		24%	27%	28%	38%		As installed base and utilization ramp up, consumables' contribution will increase
Surgeries per installment	Procedure	133	139	146	183	4%	Blended utilization to increase as recent installations enter into mature operation
ASP per surgery	Rmb '000	7.7	7.5	7.4	6.9		The ASP per surgery to remain relatively steady, but lower than overseas
<b>Service</b>	Rmb mn	20	32	48	389	39%	
% of total		10%	12%	13%	17%		
Annual service fee per system	Rmb mn	0.7	0.7	0.7	0.7		Annual service fee to remain relatively steady
<b>Overseas revenue of Toulmai</b>	Rmb mn	867	1,414	2,018	13,146	35%	
<b>System</b>	Rmb mn	758	1,137	1,456	5,942	26%	
% of total		87%	80%	72%	45%		
<b>Toulmai newly purchase</b>	Set	+133	+200	+255	+1042	26%	
% of volume share (ex-US/CN)		8%	10%	11%	23%		Overseas volume share gradually increase to 20%+ level
Ex-factory ASP	Rmb\$ mn	5.7	5.7	5.7	5.7		
<b>Toulmai installed base</b>	Set	200	400	655	4,834	42%	
<b>Consumables &amp; Accessories</b>	Rmb mn	100	230	423	4,983	54%	
% of total		12%	16%	21%	38%		Blended utilization to increase as recent installations enter into mature operation
Surgeries per installment	Procedure	60	69	78	134	9%	The ASP per surgery to remain relatively steady
ASP per surgery	Rmb '000	8.4	8.4	8.3	7.7		
<b>Service</b>	Rmb mn	8	47	140	2,222	86%	
% of total		1%	3%	7%	17%		As installed base and utilization ramp up, consumables' contribution will increase
Annual service fee per system	Rmb mn	0.7	0.7	0.7	0.7		Annual service fee to remain relatively steady
<b>Financials</b>							
<b>Total revenue</b>	Rmb mn	1,116	1,753	2,488	16,070	34%	
GM		55.2%	55.7%	57.2%	61.2%		Lower GM business drag the GM slightly behind Edge Med, gradually improved to 60%+
SG&A%		32.2%	30.7%	29.6%	27.8%		Leverage MicroPort Group resource, slightly decrease but remains >25% (lower than Edge Med)
R&D%		20.8%	14.2%	10.8%	2.5%		As sales scale up, the R&D% to gradually decrease
NM		1.0%	8.7%	14.1%	26.7%		To reach breakeven in 2026E, and NM to gradually increase to 27% in 2035E
NP	Rmb mn	11	152	351	4,288	93%	

Source: Goldman Sachs Global Investment Research

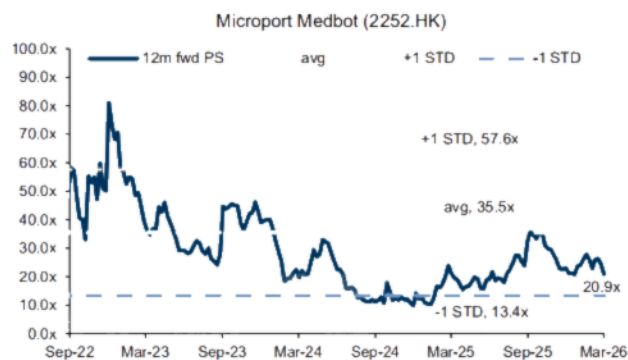
## Exhibit 17: Bull/bear scenarios

## Scenario for valuation: MicroPort Medbot (2252.HK)

	Bear case	Base case	Bull case
<b>Valuation method</b>	2027e P/S	DCF based	DCF based
<b>Implied value/share (HK\$)</b>	23.8	45.0	54.0
<b>Upside</b>	-30%	32%	58%
<b>Valuation (US\$ mn)</b>	3,757	5,923	7,108
<b>Key assumptions</b>	Applying 15x P/S multiple referencing Intuitive Surgical's last 6 months to 2027e revenue of Rmb1.7bn, discount back at 9%. Bear case implies Medbot's market share at 2.7% by revenue and overseas market of newly purchased volume stay flattish	Assuming Medbot's revenue share of global TAM to expand to 5.4% in 2035e from 0.7% in 2025, implying 40% revenue CAGR, and 27% net margin by 2035e. Applying 9% WACC and 3% terminal growth rate (consistent with our medtech and service coverage)	Assuming Medbot's revenue share of global TAM to expand to 6.7% in 2035e from 0.7% in 2025, implying 43% revenue CAGR and 27% net margin by 2035e. Applying 9% WACC and 3% terminal growth rate (consistent with our medtech and service coverage)
<b>Implied P/S</b>			
2026	20.6x	38.9x	46.6x
2027	13.1x	24.7x	29.7x
2028	9.2x	17.4x	20.9x

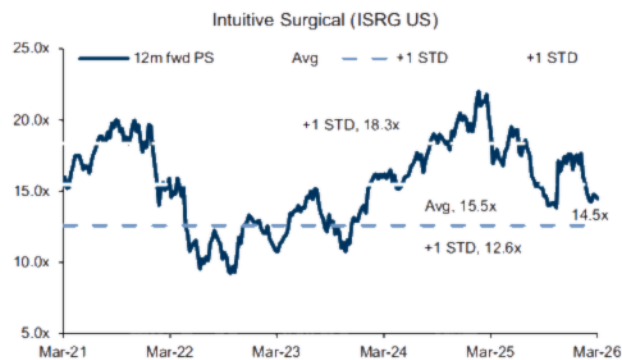
Source: Goldman Sachs Global Investment Research

**Exhibit 18: Medbot trades at 21x P/S**



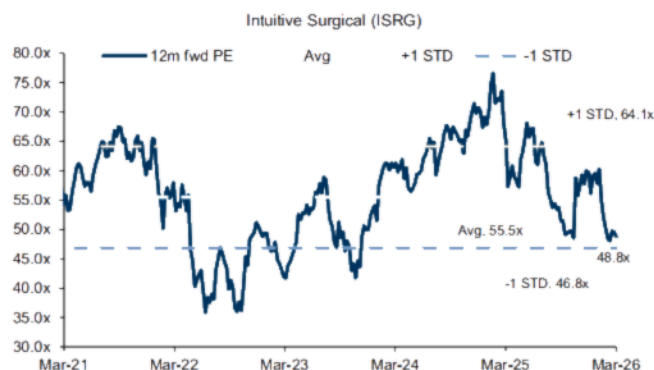
Source: Bloomberg

**Exhibit 19: vs ISRG's 15x P/S over last 5 years**



Source: Bloomberg

**Exhibit 20: ISRG trade at 56x P/E on its earnings visibility**



Source: Bloomberg

**M&A rank**

We assign an **M&A rank of 3** to MicroPort Medbot, indicating a low probability of the company being acquired, after considering both qualitative (portfolio/operating efficiency) and quantitative factors (market share, valuation) based on our M&A framework. We also see a low probability for the company to be acquired based on: 1) management’s commitment to leveraging the MicroPort group’s capacity in overseas expansion, such as entering a long-term agreement with MicroPort to expand sales cooperation and continuing expansion of its infrastructure; 2) parent company retaining control, as MicroPort Group retains 45.92% of total issued shares, serving as the single major shareholder.

**Exhibit 21: We assign M&A rank of 3 to MicroPort Medbot**

Ticker	Company name	Final score (lower score = higher probability)	Government ownership (Yes / No)	Intention to Sell (1 = High)	Quantitative Factors		Qualitative Factors	
					Market share (1 = Low)	Valuation (1 = Low)	Portfolio (1= Less preferred)	Operating efficiency (1 = Low)
2252.HK	Microport Medbot	3	No	3	3	3	3	3

Source: Goldman Sachs Global Investment Research

**Shareholder structure**

As of the latest disclosures until 23 Mar 2026, MicroPort Medbot’s shareholding

remained concentrated. The MicroPort group holds 45.92% of the company's issued voting shares.

### Key risks

- **Slower-than-expected commercialization and growth in China:** We model Medbot's domestic market share (by new purchases) to gradually ramp up and stabilize at c.23% in 2035E, and assume the total quota in China will be ramped up to 900 in our base case. A weaker sales execution, delays in new model approvals, or tighter-than-expected quota limits could undermine Medbot's competitiveness, especially amid intensifying competition from emerging SMID players. In addition, we expect the charging catalogue to be implemented across provinces over the next 6-12 months, noting that Hunan released its pricing list in April; and a delay in policy rollout could reduce utilization of the current installed base and weaken hospitals' willingness to expand installations.
- **Potential patent litigation overseas:** As of YE2024, the company had no patent, trade secrets or trademarks infringement cases and has been proactively expanding and protecting its IP portfolio. However, as domestic competitors expand globally and begin competing more directly with ISRG, potential IP conflicts may attract closer scrutiny or legal action. Any litigation could delay overseas expansion and constrain the growth in certain overseas regions.
- **Potential margin pressure from: 1) profit-sharing with the MicroPort group; 2) multi-business expansion.** Medbot leverages the MicroPort group's overseas commercial infrastructure to support rapid expansion, but the associated profit-sharing arrangement may dilute profitability. In addition, lower-margin businesses such as orthopedic/vascular surgical robots have a negative impact on the companies' overall gross margin. While management expects revenue to become increasingly driven by its higher-margin Toumai franchise, any slower-than-expected ramp-up in Toumai and related consumables could delay margin normalization.

**Exhibit 22: Financials of MicroPort Medbot**

Profit model (Rmb mn)	12/25	12/26E	12/27E	12/28E	Balance sheet (Rmb mn)	12/25	12/26E	12/27E	12/28E
Total revenue	551.1	1,116.2	1,753.5	2,488.4	Cash & equivalents	640.2	592.3	730.9	905.3
Cost of goods sold	(284.4)	(500.3)	(777.1)	(1,065.5)	Accounts receivable	263.8	446.3	669.1	913.8
SG&A	(249.2)	(359.7)	(538.8)	(736.1)	Inventory	131.7	352.6	378.4	623.9
R&D	(216.0)	(232.2)	(249.6)	(268.3)	Other current assets				
Other operating profit/(expense)					Total current assets	1,035.6	1,391.2	1,778.5	2,443.1
ei	(89.6)	121.3	271.3	519.9	Net PP&E	172.8	190.3	237.5	293.5
Depreciation & amortization	(109.0)	(97.2)	(83.4)	(101.4)	Net intangibles	2.4	0.1	(2.2)	(4.6)
EBIT	(198.6)	24.0	188.0	418.6	Total investments	14.7	0.0	0.0	0.0
Interest income	6.8	1.6	2.1	3.4	Other long-term assets	59.7	40.4	35.4	30.4
Interest expense	(19.8)	(19.8)	(19.8)	(19.8)	Total assets	1,334.6	1,671.5	2,098.7	2,811.8
Income/(loss) from uncons. subs.					Accounts payable	312.3	591.3	812.4	1,112.2
Others	(42.5)	7.8	12.1	18.1	Short-term debt	28.8	28.8	28.8	28.8
Pretax profits	(254.1)	13.6	182.4	420.2	Other current liabilities	43.6	43.6	43.6	43.6
Income tax	0.0	(2.0)	(27.4)	(63.0)	Total current liabilities	450.2	729.2	950.2	1,250.1
Minorities	4.5	(0.2)	(2.7)	(6.3)	Long-term debt	360.3	360.3	360.3	360.3
Net income pre-preferred dividends	(249.7)	11.3	152.3	350.9	Other long-term liabilities	124.2	124.2	124.2	124.2
Preferred dividends					Total long-term liabilities	484.5	484.5	484.5	484.5
Net income (pre-exceptionals)	(249.7)	11.3	152.3	350.9	Total liabilities	934.7	1,213.6	1,434.7	1,734.5
Post-tax exceptionals					Preferred shares				
Net income	(249.7)	11.3	152.3	350.9	Total common equity	410.7	468.4	671.8	1,078.9
EPS (basic, pre-except) (Rmb)	(0.24)	0.01	0.15	0.34	Minority interest	(10.7)	(10.5)	(7.8)	(1.6)
EPS (basic, post-except) (Rmb)	(0.24)	0.01	0.15	0.34	Total liabilities & equity	1,334.6	1,671.5	2,098.7	2,811.8
EPS (diluted, post-except) (Rmb)	(0.24)	0.01	0.15	0.34	BVPS (Rmb)	0.4	0.4	0.6	1.0
DPS (Rmb)									
Dividend payout ratio (%)	0%	0%	0%	0%					
Free cash flow yield (%)	-1%	0%	0%	1%					
<b>Growth &amp; margins (%)</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>Ratios</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>
Sales growth	114%	103%	57%	42%	CROCI (%)	-10%	23%	39%	52%
EBITDA growth	76%	235%	124%	92%	ROE (%)	-72%	3%	27%	40%
EBIT growth	59%	112%	682%	123%	ROA (%)	-19%	1%	8%	14%
Net income growth	61%	105%		130%	ROACE (%)	-112%	13%	59%	84%
EPS growth	63%	104%	1245%	130%	Inventory days			171.7	171.7
Gross margin	48%	55%	56%	57%	Receivables days			116.1	116.1
EBITDA margin		11%	15%	21%	Payable days			329.7	329.7
EBIT margin	-36%	2%	11%	17%	Net debt/equity (%)	(0.6)	(0.4)	(0.5)	(0.5)
					Interest cover - EBIT (X)		1.3	10.6	25.5
<b>Cash flow statement (Rmb mn)</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>Valuation</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>
Net income pre-preferred dividends	(249.7)	11.3	152.3	350.9	P/E (analyst) (X)				83.0
D&A add-back	109.0	97.2	83.4	101.4	P/B (X)	47.9	63.6	43.9	27.0
Minorities interests add-back					EV/EBITDA (X)			106.2	55.1
Net (inc)/dec working capital	(97.6)	(90.5)	(22.5)	(185.4)	EV/GCI (X)	37.6	42.2	34.4	24.3
Other operating cash flow	59.6	46.4	51.1	56.2	Dividend yield (%)	0.0	0.0	0.0	0.0
Cash flow from operations	(162.8)	30.7	262.0	324.3					
Capital expenditures	(3.0)	(78.6)	(123.3)	(149.9)					
Acquisitions									
Divestitures									
Others									
Cash flow from investments	(3.0)	(78.6)	(123.3)	(149.9)					
Dividends paid (common & pref)									
Inc/(dec) in debt	191.0								
Common stock issuance (repurchase)	352.0								
Other financing cash flows									
Cash flow from financing	543.0	0.0	0.0	0.0					
Total cash flow	377.2	(47.9)	138.7	174.4					

Note: Last actual year may include reported and estimated data.  
Source: Company data, Goldman Sachs Research estimates.

Source: Company data, Goldman Sachs Global Investment Research

## Edge Medical (2675.HK): Leading Chinese player (by domestic new orders); Differentiated “single port + multi-port” solution; initiate at Buy

2675.HK	12m Price Target: HK\$81	Price: HK\$56	Upside: 44.6%		
<b>Buy</b>	<b>GS Forecast</b>				
		12/25	12/26E	12/27E	12/28E
Market cap: HK\$21.9bn / \$2.8bn	Revenue (Rmb mn) New	455.7	868.9	1,393.7	2,018.1
Enterprise value: HK\$20.5bn / \$2.6bn	Revenue (Rmb mn) Old	--	--	--	--
3m ADTV :HK\$21.1mn/ \$2.7mn	EBITDA (Rmb mn)	(84.2)	(0.3)	120.2	293.4
	China EPS (Rmb) New	(0.25)	0.06	0.35	0.70
China & Korea Medtech & Services	EPS (Rmb) Old	--	--	--	--
	P/E (X)	NM	NM	137.9	69.9
M&A Rank: 3	P/B (X)	NM	7.5	7.0	6.3
Leases incl. in net debt & EV?: Yes	Dividend yield (%)	--	--	--	--
	CROCI (%)	NM	7.8	18.3	27.7
		12/25	6/26E	12/26E	6/27E
	EPS (Rmb)	0.00	(0.01)	0.06	0.20

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 17 Apr 2026 close.

**Edge Medical combines platform differentiation, strong domestic execution, and scalable overseas expansion.** Its “multi port + single port” integrated platform delivers similar pricing to da Vinci but with combined functionality, supporting faster breakeven and lower adoption barriers, while rapid product iteration has driven it to become the **No.1 player in terms of domestic new orders in 2025**. Overseas expansion is accelerating via distributor led execution, with plans to double the size of its international team by 2026. We expect a sales CAGR of 64% over 2025-2028E to reach Rmb2bn in 2028E, and a 39% CAGR over 2025-2035E to reach Rmb12.3bn by 2035E, with net margin to break-even in 2026E, and net profit to reach Rmb3.4bn by 2035E with 28% NM. **Initiate Edge Medical at Buy, with a 12-m TP of HK\$81.0.**

### Investment thesis

- Differentiated platform offering with compelling hospital economics.** Edge Medical’s “multi port + single port” integrated platform delivers **functionality combining both da Vinci Xi and single port capabilities**, while maintaining **pricing broadly comparable to da Vinci Xi**, supporting higher utilization, faster breakeven, and lowering barriers for hospitals to adopt single port surgery without incremental system investment. After completing full-department coverage (urology, gynecological, general, and thoracic surgeries), by obtaining a CE mark in Oct 2025 for its single-port system SP1000, Edge Medical has effectively completed coverage alignment for both its multi-port and single-port systems, paving the way for commercializing its 3-in-1 platform. Domestically, the company has received NMPA approval for its 3-in-1 platform in Mar 2026, and the company expects hospitals will be able to deploy it with one quota rather than two.
- Domestic leader in new orders, supported by rapid product iteration and strong execution.** With a focused product mix centered on endoscopic robotics and proprietary consumables, Edge Medical has sustained c.60% gross margin and emerged as the No.1 domestic player by new orders in 2025 (22 bid wins). Despite slightly later initial approval versus peers, faster product iteration—underpinned by

a founder led management team with deep robotics engineering expertise and strong execution—has enabled the company to build a complete and competitive product matrix in a short timeframe.

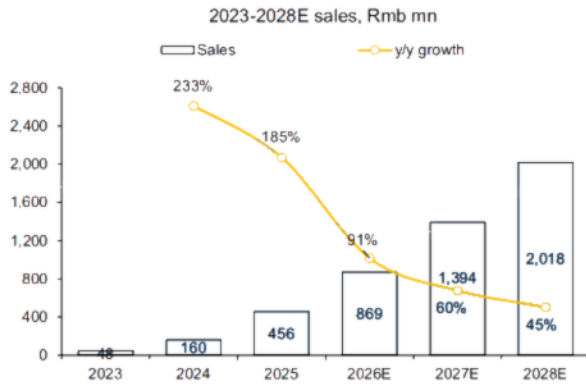
- **Overseas expansion accelerating via distributor led execution.** Edge Medical has established collaborations with c.70 overseas distributors, enabling rapid market entry while reducing localization costs and execution risks. Strategic partnerships with Dornier MedTech and Meden Inmed support training center build out and network expansion across Europe. Notably, in **select markets where Intuitive Surgical is transitioning from distributor led to direct sales**, Edge Medical sees opportunities to partner with incumbent distributors seeking alternative growth platforms. The company has built an overseas organization of around 50 people spanning sales, marketing, service, and commercial operations, with plans to double the size of the international team by end-2026. It operates a hybrid go-to-market model combining direct sales and distributors, while jointly building a global brand system and establishing a dedicated training center. The strategy emphasizes localization in developed markets, with a particular focus on strengthening local teams in Western Europe and large emerging markets.

## Financial highlights

- **FY26 guidance:** Operationally, management targets approximately 120 new installations in FY26, with revenue scale of over Rmb850mn, +85% growth. On this basis, management guided the business to turn profitable at the full-year level, with gross margin sustained above 60%.
- We expect a sales CAGR of 64% over 2025-2028E to reach Rmb2bn in 2028E, and a 39% CAGR over 2025-2035E to reach Rmb12.3bn by 2035E, primarily driven by: 1) overseas expansion, with newly purchased volumes reaching c.250 sets in 2028E with stabilizing pricing, and an increase in overseas revenue exposure is to 78% in 2028E from 60% in 2025; 2) leadership in the domestic market with clearer policy and quota release, and to reach 20% market share (by newly purchased volume) by 2028E.
- **Gross margin to stabilize with consumables sales ramping up and scale effects of in-house capacities:** We expect gross margin to remain stabilized at c.65% (company targets above 60%) given: 1) consumables sales ramping up (consumables sales' gross margin c.10% higher than system sales) and benefits from the scale effects of in-house capacities; 2) expanding overseas sales (gross margin: 67.6% vs. 59.6% for overseas/domestic business in 1H25); 3) a more focused product mix on laparoscopic robotics; 4) the industry is facing intensifying competition which brings modest pricing pressure on systems sales.
- **Target breakeven in 2026E, with flexibility to prioritize overseas expansion:** We expect the company to reach breakeven by 2026E, and our net income estimates are Rmb23mn/139mn/274mn in 2026E/27E/28E, corresponding to a net margin of 3%/10%/14%, mainly attributed to sales ramp up and improved operating efficiency.
- **Relative to Bloomberg consensus,** our revenue forecasts are higher (+4.0% /

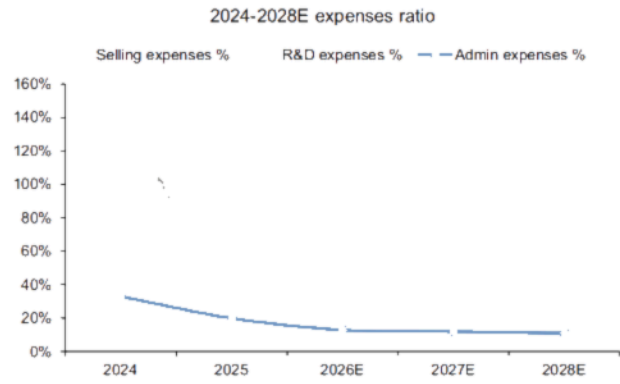
**+9.8% for FY26/27), while reported NP of RMB23mn / RMB139mn trails consensus at RMB84mn / RMB198mn, driven by our assumption of higher marketing and selling expenses to support a faster overseas ramp-up.**

**Exhibit 23: Sales CAGR at 64% over 2025-28E...**



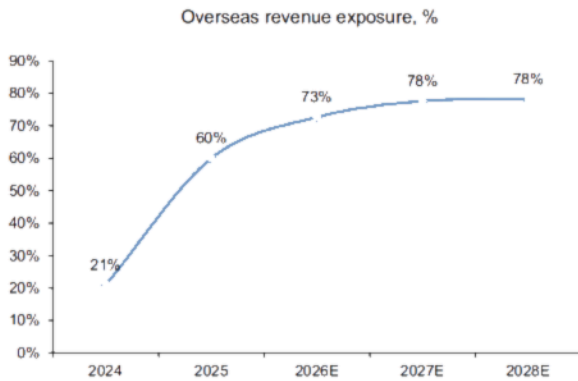
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 24: Expense ratio improving...**



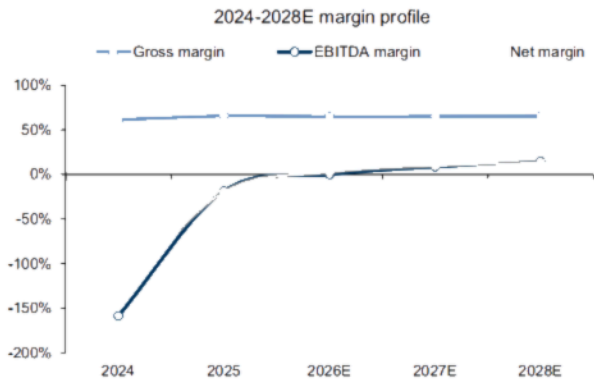
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 25: ...and overseas revenue is rapidly ramping up...**



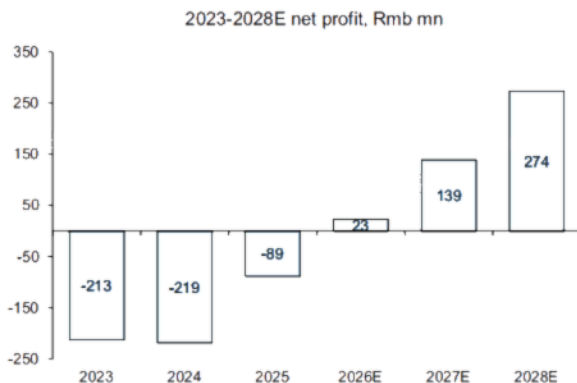
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 26: ...with improving operating efficiency and scale effects...**



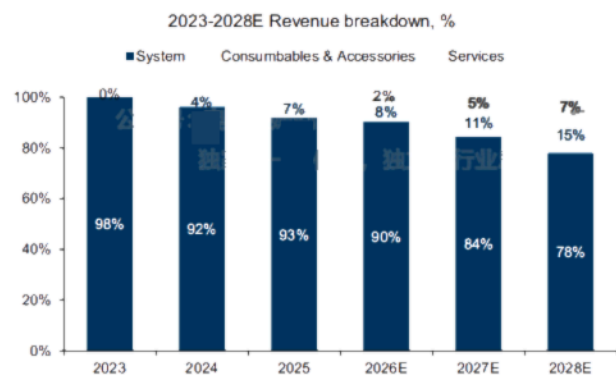
Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 27: ...we expect the company to breakeven in 2026E**



Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 28: Consumables and service revenue ramping up to 22% in 28E**



Source: Company data, Goldman Sachs Global Investment Research

## Valuation and scenario analysis

### 12-m target price of HK\$81.0 based on 2035E DCF

Our 12-m TP of HK\$81.0 is based on DCF valuation, with 9% WACC and 3% terminal growth (consistent with our medtech & service coverage), and with key assumptions: 1) We assume the **global TAM** to reach US\$42bn by 2035, with US\$19bn for OUS, with a penetration rate of surgical robot assisted surgeries to reach 12mn; 2) Edge Medical to acquire 19% of the newly purchased volumes (ex-US) given that is their key market, corresponding to 9% of the share by revenue (ex-US); 3) Edge Medical net margin to reach 28% by 2035E, on par with ISRG's 28% as of FY25, where we assume the pricing discount is offset by the lower cost structure in China. Our TP implies 34x/21x/15x for P/S for 2026E/2027E/2028E.

#### Exhibit 29: Our DCF derived target price of HK\$81.0, implies 45% upside

##### Edge Medical (2675.HK)

Rmb, Mn	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue	456	869	1,394	2,018	2,798	3,739	4,869	6,254	7,924	9,914	12,264
Gross Profit	301	565	909	1,322	1,833	2,450	3,191	4,098	5,231	6,595	8,158
Selling expenses	(135)	(266)	(419)	(587)	(800)	(1,061)	(1,372)	(1,669)	(2,035)	(2,447)	(2,966)
Admin expenses	(91)	(112)	(165)	(219)	(276)	(350)	(431)	(492)	(583)	(680)	(780)
R&D expenses	(185)	(204)	(224)	(247)	(271)	(298)	(328)	(361)	(397)	(437)	(480)
EBIT	(110)	(17)	100	270	486	740	1,059	1,576	2,216	3,031	3,932
Add back: share based payment expenses	28	31	34	37	41	45	50	55	60	66	73
Less: Taxes	-	(4)	(24)	(48)	(80)	(118)	(167)	(247)	(344)	(467)	(603)
NOPAT	(82)	10	110	259	448	668	942	1,384	1,933	2,631	3,402
Depreciation & amortization	26	16	20	24	52	78	97	108	121	134	146
Capital expenditures	(46)	(44)	(36)	(42)	(181)	(202)	(182)	(163)	(183)	(194)	(204)
Changes in working capital	(192)	(92)	(307)	(152)	(384)	(234)	(474)	(355)	(499)	(443)	(539)
<b>Unlevered free cash flow</b>	<b>(294)</b>	<b>(109)</b>	<b>(213)</b>	<b>89</b>	<b>(66)</b>	<b>310</b>	<b>383</b>	<b>974</b>	<b>1,371</b>	<b>2,128</b>	<b>2,804</b>

Discount Rate	Terminal Value	Enterprise Value	Net Cash	Equity Value	Equity Value	Equity Value
%	Rmb, mn	Rmb, mn	Rmb, mn	Rmb, mn	US\$, mn	HK\$, mn
9.0%	24,684	29,341	86	29,427	4,031	31,487

Debt	-
Cash	86

Shares outstanding	392
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Target Price	81.0
Close Price	56.0
Upside	45%

Source: Company data, Goldman Sachs Global Investment Research

## Exhibit 30: Key assumptions behind our numbers

Year		2026E	2027E	2028E	2035E	26-35E CAGR	Assumptions
<b>Operating data</b>							
<b>China revenue of Edge Med</b>	Rmb mn	237	312	442	2,873	32%	
<b>System</b>	Rmb mn	182	212	285	1,400	25%	
% of total		77%	68%	64%	49%		
<b>Edge Med newly purchase</b>	Set	+26	+33	+44	+233	28%	Edge Med/ Medbot 2025 CN bid wins are 2/2/17, and expect momentum to continue
% of volume share (China)		17%	19%	20%	26%		Domestic bid-win rate gradually increase to 20%+ level
Ex-factory ASP	Rmb mn	7.0	6.5	6.4	6.0		Domestic system ASP slightly decrease: Edge Med has 3-in-1 system thus higher ASP
<b>Edge Med installed base</b>	Set	63	96	140	1,006	36%	
<b>Consumables &amp; Accessories</b>	Rmb mn	43	74	113	1,025	42%	
% of total		18%	24%	26%	36%		As installed base and utilization ramp up, consumables' contribution will increase
Surgeries per installment	Procedure	153	156	159	183	2%	Blended utilization to increase as recent installations enter into mature operation
ASP per surgery	Rmb '000	7.7	7.5	7.4	6.9		The ASP per surgery to remain relatively steady, but lower than overseas
<b>Service</b>	Rmb mn	12	26	44	447	50%	
% of total		5%	8%	10%	16%		
Annual service fee per system	Rmb mn	0.7	0.7	0.7	0.7		Annual service fee to remain relatively steady
<b>Overseas revenue of Edge Med</b>	Rmb mn	632	1,082	1,576	9,391	35%	
<b>System</b>	Rmb mn	602	963	1,286	4,659	26%	
% of total		95%	89%	82%	50%		
<b>Edge Med newly purchase</b>	Set	+94	+150	+203	+789	27%	approx. 1-yr lag in new purchase behind Medbot for Edge Med in overseas
% of volume share (ex-US/CN)		6%	8%	9%	17%		
Ex-factory ASP	Rmb\$ mn	6.4	6.4	6.3	5.9		Blended ASP incorporating sales and rental, thus lower than domestic ASP
<b>Edge Med installed base</b>	Set	147	297	500	3,692	43%	
<b>Consumables &amp; Accessories</b>	Rmb mn	26	82	186	3,027	70%	
% of total		4%	8%	12%	32%		
Surgeries per installment	Procedure	58	67	75	129	9%	Blended utilization to increase as recent installations enter into mature operation
ASP per surgery	Rmb '000	8.4	8.4	8.3	7.8		The ASP per surgery to remain relatively steady
<b>Service</b>	Rmb mn	4	37	103	1,705	95%	
% of total		1%	3%	7%	18%		As installed base and utilization ramp up, consumables' contribution will increase
Annual service fee per system	Rmb mn	0.7	0.7	0.7	0.7		Annual service fee to remain relatively steady
<b>Financials</b>							
<b>Total revenue</b>	Rmb mn	869	1,394	2,018	12,264	34%	
GM		65.0%	65.2%	65.5%	66.5%		Edge Med focus on high GM lapo robots, thus maintain steady
SG&A%		43.4%	41.9%	39.9%	30.5%		Marketing efforts amid competition, SG&A% slightly decrease but remains >30%
R&D%		23.4%	16.1%	12.2%	3.9%		As sales scale up, the R&D% to gradually decrease
NM		2.6%	10.0%	13.6%	27.9%		To reach breakeven in 2026E, and NM to gradually increase to 28% in 2035E
NP	Rmb mn	23	139	274	3,418	75%	

Source: Goldman Sachs Global Investment Research

## Exhibit 31: Bull/bear scenarios

## Scenario for valuation: Edge Medical (2675.HK)

	Bear case	Base case	Bull case
<b>Valuation method</b>	2027e P/S	DCF based	DCF based
<b>Implied value/share (HK\$)</b>	46.5	81.0	98.0
<b>Upside</b>	-17%	45%	75%
<b>Valuation (US\$ mn)</b>	2,787	4,031	4,877
<b>Key assumptions</b>	Applying 15x P/S multiple referencing Intuitive Surgical's last 6 months to 2027e revenue of Rmb1.4bn, discount back at 9%. Bear case implies Edge Med's market share at 2.4% by revenue and overseas market of newly purchased volume stay flattish	Assuming Edge Med's revenue share of global TAM to expand to 4.1% in 2035e from 0.6% in 2025, implying 40% revenue CAGR, and 28% net margin by 2035e. Applying 9% WACC and 3% terminal growth rate (consistent with our medtech and service coverage)	Assuming Edge Med's revenue share of global TAM to expand to 5.1% in 2035e from 0.6% in 2025, implying 42% revenue CAGR, and 28% net margin by 2035e. Applying 9% WACC and 3% terminal growth rate (consistent with our medtech and service coverage)
<b>Implied P/S</b>			
2026	19.6x	34.1x	41.3x
2027	12.2x	21.3x	25.8x
2028	8.4x	14.7x	17.8x

Source: Goldman Sachs Global Investment Research

## Shareholder structure

As of the latest disclosures until 23 Mar 2026, Founders hold 36.63% of issued voting shares.

## M&A rank

We assign an **M&A rank of 3** to Edge Medical, indicating a low probability of the company being acquired, after considering both qualitative (portfolio/operating efficiency) and quantitative factors (market share, valuation) based on our M&A framework. We also see a low probability for the company to be acquired based on: 1) The founders remain controlling shareholders post-IPO; 2) no intention by the company to sell; 3) leading market share position for domestic market in terms of new orders.

### Exhibit 32: We assign M&A rank of 3 to Edge Medical

Ticker	Company name	Final score (lower score = higher probability)	Government ownership (Yes / No)	Intention (1 = High)	Quantitative Factors		Qualitative Factors	
					Market (1 = Low)	Valuation (1 = Low)	Portfolio preferred)	Operating (1 = Low)
2675.HK	Edge Medical	3	No	3	3	3	3	3

Source: Goldman Sachs Global Investment Research

## Key risks

- Slower-than-expected commercialization in China, and potential patent litigation overseas:** We apply broadly similar domestic market share assumptions to Edge Medical and Medbot, leaving Edge Medical also exposed to risks including a tighter-than-expected quota limit, intensifying competition, and slower rollout of consumables/service-fee monetization. Overseas, as a leading Chinese player gaining traction, Edge Medical may also face patent disputes that could delay its global expansion.
- Weaker-than-expected capabilities of overseas collaborated distributors:** Unlike MicroPort Medbot, Edge Medical relies primarily on local distributors for overseas commercialization. As a result, the pace and quality of its overseas expansion depend heavily on the distributors' ability to execute competitive, localized marketing strategies across markets.
- Capacity constraints:** Medbot can flexibly leverage the group-wide consumables manufacturing capacity, while Edge Medical is more exposed to potential bottlenecks in consumables supply. As overseas expansion accelerates, the company will need to scale consumables capacity accordingly; otherwise, supply constraints could limit the pace of overseas growth.

**Exhibit 33: Financials of Edge Medical**

Profit model (Rmb mn)	12/25	12/26E	12/27E	12/28E	Balance sheet (Rmb mn)	12/25	12/26E	12/27E	12/28E
Total revenue	455.7	868.9	1,393.7	2,018.1	Cash & equivalents	86.0	1,309.3	1,158.9	1,299.8
Cost of goods sold	(155.1)	(304.4)	(484.7)	(695.8)	Accounts receivable	188.3	300.9	483.7	652.5
SG&A	(225.3)	(377.5)	(584.6)	(806.1)	Inventory	136.1	267.4	361.9	522.4
R&D	(185.2)	(203.7)	(224.1)	(246.5)	Other current assets	196.1	196.1	196.1	196.1
Other operating profit/(expense)					Total current assets	1,334.4	2,801.4	2,928.4	3,398.5
ei	(84.2)	(0.3)	120.2	293.4	Net PP&E	42.1	70.3	86.4	104.2
Depreciation & amortization	(25.6)	(16.3)	(19.8)	(23.6)	Net intangibles	0.1	(0.1)	(0.2)	0.0
EBIT	(109.9)	(16.6)	100.4	269.7	Total investments	0.0	0.0	0.0	0.0
Interest income	5.4	31.1	54.0	45.4	Other long-term assets	9.3	9.3	9.3	9.3
Interest expense	(0.5)	(0.5)	(0.5)	(0.5)	Total assets	1,385.7	2,880.8	3,023.9	3,512.0
Income/(loss) from uncons. subs.	(0.1)				Accounts payable	22.8	175.1	145.3	322.3
Others	16.5	12.8	9.4	7.4	Short-term debt				
Pretax profits	(88.6)	26.7	163.2	322.0	Other current liabilities	137.4	137.4	137.4	137.4
Income tax	0.0	(4.0)	(24.5)	(48.3)	Total current liabilities	164.4	316.7	287.0	463.9
Minorities					Long-term debt				
Net income pre-preferred dividends	(88.6)	22.7	138.7	273.7	Other long-term liabilities	16.9	16.9	16.9	16.9
Preferred dividends					Total long-term liabilities	22.6	22.6	22.6	22.6
Net income (pre-exceptionals)	(88.6)	22.7	138.7	273.7	Total liabilities	187.0	339.3	309.6	486.5
Post-tax exceptionals					Preferred shares				
Net income	(88.6)	22.7	138.7	273.7	Total common equity	1,198.7	2,541.5	2,714.3	3,025.5
EPS (basic, pre-except) (Rmb)	(0.25)	0.06	0.35	0.70	Minority interest				
EPS (basic, post-except) (Rmb)	(0.25)	0.06	0.35	0.70	Total liabilities & equity	1,385.7	2,880.8	3,023.9	3,512.0
EPS (diluted, post-except) (Rmb)	(0.25)	0.06	0.35	0.70	BVPS (Rmb)	3.3	6.5	6.9	7.7
DPS (Rmb)									
Dividend payout ratio (%)	0%	0%	0%	0%					
Free cash flow yield (%)		0%	-1%	1%					
<b>Growth &amp; margins (%)</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>Ratios</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>
Sales growth	185%	91%	60%	45%	CROCI (%)	-10%	8%	18%	28%
EBITDA growth	67%	100%	35872%	144%	ROE (%)	-7%	1%	5%	10%
EBIT growth	61%	85%	703%	169%	ROA (%)	-6%	1%	5%	8%
Net income growth	59%	126%	512%	97%	ROACE (%)	-8%	0%	7%	14%
EPS growth	59%	123%	512%	97%	Inventory days			236.9	231.9
Gross margin	66%	65%	65%	66%	Receivables days			102.7	102.7
EBITDA margin		0%	9%	15%	Payable days			120.7	122.7
EBIT margin	-24%	-2%	7%	13%	Net debt/equity (%)	(0.1)	(0.5)	(0.4)	(0.4)
					Interest cover - EBIT (X)	22.5	0.5		
<b>Cash flow statement (Rmb mn)</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>Valuation</b>	<b>12/25</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>
Net income pre-preferred dividends	(88.6)	22.7	138.7	273.7	P/E (analyst) (X)			142.7	72.3
D&A add-back	13.4	16.3	19.8	23.6	P/B (X)		7.8	7.3	6.5
Minorities interests add-back					EV/EBITDA (X)			155.2	63.1
Net (inc)/dec working capital	(188.0)	(91.6)	(307.1)	(152.3)	EV/GCI (X)		29.3	19.1	15.8
Other operating cash flow	39.9	31.0	34.1	37.5	Dividend yield (%)				
Cash flow from operations	(223.3)	(21.7)	(114.5)	182.5					
Capital expenditures	(46.3)	(44.3)	(35.9)	(41.6)					
Acquisitions									
Divestitures									
Others									
Cash flow from investments	(46.3)	(44.3)	(35.9)	(41.6)					
Dividends paid (common & pref)									
Inc/(dec) in debt									
Common stock issuance (repurchase)		1,289.2							
Other financing cash flows	292.1								
Cash flow from financing	292.1	1,289.2	0.0	0.0					
Total cash flow	22.5	1,223.2	(150.3)	140.9					

Note: Last actual year may include reported and estimated data.  
Source: Company data, Goldman Sachs Research estimates.

Source: Company data, Goldman Sachs Global Investment Research

**Investment Thesis - MicroPort Medbot**

Leveraging the MicroPort Group's established global infrastructure, Medbot has accelerated overseas expansion via a hub and spoke model, achieving registrations in c.60 countries and c.170 cumulative overseas orders as of Mar 2026. Domestically, it remains a top 3 player, with 16% share of national bidding in 2025 and the largest installed base among Chinese peers, despite prioritizing overseas growth in 2025. Complementing this scale advantage, Medbot is an early mover in emerging technologies, including being the first domestic player approved for tele surgery and advancing AI enabled automation, reinforcing its medium term leadership positioning. We expect sales to grow at a CAGR of 65% over 2025-2028E to reach Rmb2.5bn, and a 40% CAGR over 2025-2035E to reach Rmb16.1bn by 2035E; net margin to break-even in 2026E, and NP to reach Rmb4.3bn in 2035E at NM of 27%. Buy rated, with a 12-m TP of HK\$45.0.

**MicroPort Medbot:** Our 12-m TP of HK\$45.0 is based on DCF valuation, with 9% WACC and 3% terminal growth (consistent with our medtech & service coverage). Key downside risks: 1) slower-than-expected commercialization and growth in China; 2) potential patent litigation overseas; 3) potential margin pressure from profit-sharing with the MicroPort group and multi-business expansion.

**Investment Thesis - Edge Medical**

Edge Medical combines platform differentiation, strong domestic execution, and scalable overseas expansion. Its "multi port + single port" integrated platform delivers similar pricing to da Vinci but with combined functionality, supporting faster breakeven and lower adoption barriers, while rapid product iteration has driven it to become the No.1 player in terms of domestic new orders in 2025. Overseas expansion is accelerating via distributor led execution, with plans to double the size of its international team by 2026. We expect a sales CAGR of 64% over 2025-2028E to reach Rmb2bn in 2028E, and a 39% CAGR over 2025-2035E to reach Rmb12.3bn by 2035E, with net margin to break-even in 2026E, and net profit to reach Rmb3.4bn by 2035E with 28% NM. Buy Rate, with a 12-m TP of HK\$81.0.

**Edge Medical:** Our 12-m TP of HK\$81.0 is based on DCF valuation, with 9% WACC and 3% terminal growth (consistent with our medtech & service coverage). Key downside risks: 1) Slower-than-expected commercialization in China, and potential patent litigation overseas; 2) weaker-than-expected capabilities of overseas collaborated distributors; 3) capacity constraints.